

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF AUXIER ROAD GAS) CASE NO. 2012-00274
COMPANY, INC.)

ORDER

On April 2, 2009, in Case No. 2008-00156, the Commission approved the Gas Cost Adjustment ("GCA") clause of Auxier Road Gas Company, Inc. ("Auxier") allowing for the monthly adjustment of its rates.¹

On June 28, 2012, Auxier filed its proposed GCA to be effective August 1, 2012.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Auxier's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Auxier's notice sets out an Expected Gas Cost ("EGC") of \$4.3979 per Mcf, which is a decrease of \$.2714 per Mcf from its prior EGC of \$4.6693 per Mcf.
3. Auxier's notice sets out no current Refund Adjustment.
4. Auxier's notice sets out a current month Actual Adjustment ("AA") of (\$.0460) per Mcf. Auxier's total AA is (\$1.0246) per Mcf, which is an increase of \$.0624 per Mcf from its previous total AA of (\$1.0870) per Mcf.

¹ Case No. 2008-00156, Application of Auxier Road Gas Company, Inc. for an Adjustment in Rates and Certain Nonrecurring Charges (Ky. PSC Apr. 2, 2009).

5. Auxier's notice sets out no current month Balance Adjustment ("BA"). A current BA in the amount of (\$.0078) per Mcf is required to reconcile net over-recoveries resulting from an expired AA. Auxier's total BA of (\$.0221) per Mcf represents a decrease of \$.0052 per Mcf from the previous total BA of (\$.0169) per Mcf.

6. Auxier's Gas Cost Recovery rate is \$3.3512 per Mcf, which is a decrease of \$.2142 per Mcf from its previous rate of \$3.5654 per Mcf.

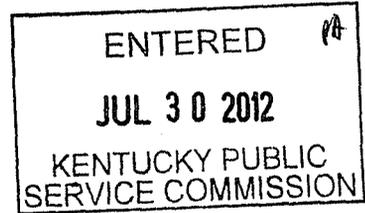
7. The rates in the Appendix to this Order are fair, just and reasonable, and should be approved for service rendered by Auxier on and after August 1, 2012.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Auxier are denied.
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for service rendered on and after August 1, 2012.
3. Within 20 days of the date of this Order, Auxier shall file its revised tariff sheets with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

Commissioner Breathitt is abstaining from this proceeding.



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00274 DATED JUL 30 2012

The following rates and charges are prescribed for the customers served by Auxier Road Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATES:

| | <u>Base Rate</u> | <u>Gas Cost Recovery Rate</u> | <u>Total</u> |
|--------------------------|------------------|---------------------------------------|--------------|
| First Mcf (Minimum Bill) | \$ 6.36 | \$3.3512 | \$ 9.7112 |
| All Over 1 Mcf | \$ 5.0645 | \$3.3512 | \$ 8.4157 |

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